

Connecticut Association of Tax Collectors

Testimony Opposing
Proposed Bill 5953 AAC Delinquent Municipal Property Taxes
and the Registration of Motor Vehicles.

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This proposal, currently before the Transportation Committee, would change state law to permit a motor vehicle owner to register a vehicle if municipal property taxes have been paid *for that vehicle*, regardless of other delinquent taxes still due on other motor vehicles owned by the same person.

This proposal would cost towns and cities tax and interest revenue by decreasing tax collections, and serve to increase the burden placed on the 98% of the population that pays property taxes on time. The only constituents this proposal would benefit are delinquent taxpayers who own multiple vehicles and who don't want to pay their taxes.

If a taxpayer owns and pays taxes on multiple vehicles, present law requires the person to be current on all their vehicle taxes before receiving 'clearance' to register any of those vehicles with the Department of Motor Vehicles. This registration 'stop' is acknowledged as the primary method of tax collection enforcement for motor vehicle property taxes in Connecticut. Towns and cities pay the DMV an annual fee to administer this 'stop' and municipal tax collectors diligently supply the DMV with updated lists of their delinquent accounts AND monthly 'take off' lists of those taxpayers who have met their obligations. A taxpayer can also receive a paper 'clearance' or a stamp on the back of their registration renewal to immediately show DMV that the tax obligation has been met. Connecticut tax collectors have a good working relationship with the DMV, and are committed to improving communication and the administration of this system to ensure fairness and equity to all Connecticut property taxpayers and efficiency in tax collections.

Allowing a taxpayer to ignore delinquent taxes on other vehicles while paying only on the vehicle he wishes to register will cost towns and cities tax and interest revenue. The taxpayer is still driving all of the vehicles on town and city streets. The taxes due on the other vehicles continue to accrue interest charges and possibly other collection costs.

Under this proposal, a chronically delinquent taxpayer could change vehicles every two years and never pay another cent in motor vehicle taxes again, because he could register a

new vehicle every two years and freely ignore the tax obligations on the vehicles registered and taxed in prior years. It could be argued that any taxpayer who can afford to own and operate more than one vehicle should be prepared to meet his tax obligations on all of those vehicles when he wants to register any of them.

It is bad public policy to encourage tax delinquency and take revenue away from cities and towns. It is bad public policy to allow a delinquent tax scofflaw to shirk his responsibility to pay taxes lawfully assessed and levied. It is even worse public policy to simultaneously shift the burden of making up the difference in tax revenue onto the back of the on time taxpayer who has already met his obligations and paid his fair share.

We respectfully urge this Committee and the General Assembly to reject this and any similar proposal that makes it easier to avoid paying lawfully assessed taxes, rather than strengthening the means to collect them.

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